

CALIFORNIA ENERGY COMMISSION

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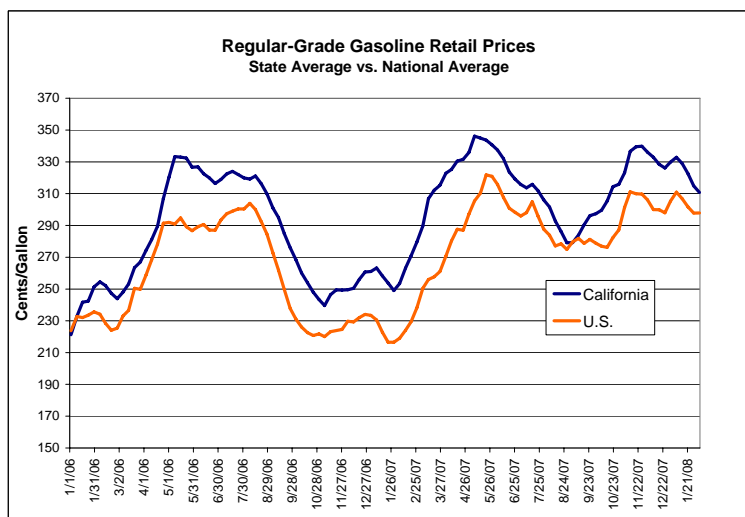
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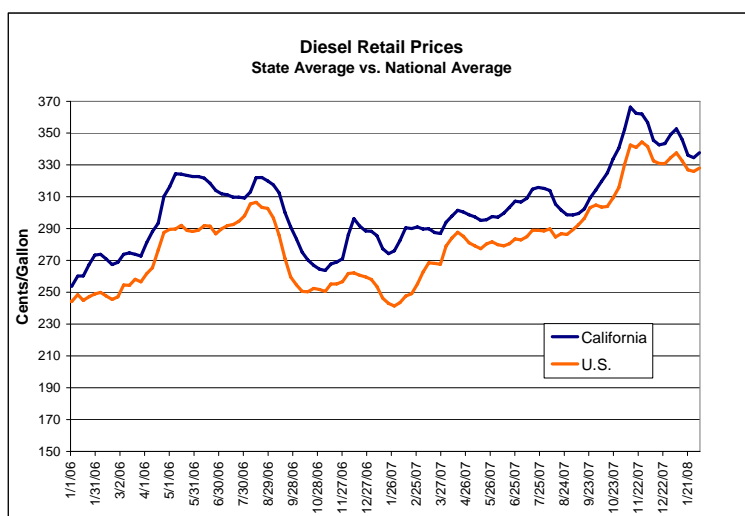
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****February 8, 2008*****Retail Gasoline and Diesel Prices on February 4***

- The average California **retail price for regular-grade gasoline** declined 4 cents from last week to \$3.11 per gallon, 22 cents lower than the price reported in the January 7, 2008, Petroleum Watch report. Prices are 35 cents less than the record high of \$3.46 on May 7 but 57 cents per gallon higher than the same time last year.ⁱ
- The difference between California and U.S. retail gasoline prices decreased 9 cents from our last report to 13 cents per gallon. U.S. gasoline prices decreased 13 cents since January 7 to \$2.98 per gallon but are 79 cents more than reported this time last year.



- After recently peaking at \$3.53 per gallon on January 7, the average California **retail diesel price** declined to \$3.38 per gallon but is 3 cents more than last week. Similarly, the U.S. retail diesel price peaked at \$3.38 per gallon on January 7 and has since fallen 10 cents to \$3.28 per gallon. The difference between California and U.S. prices has decreased by 5 cents since January 7, falling to 10 cents per gallon.

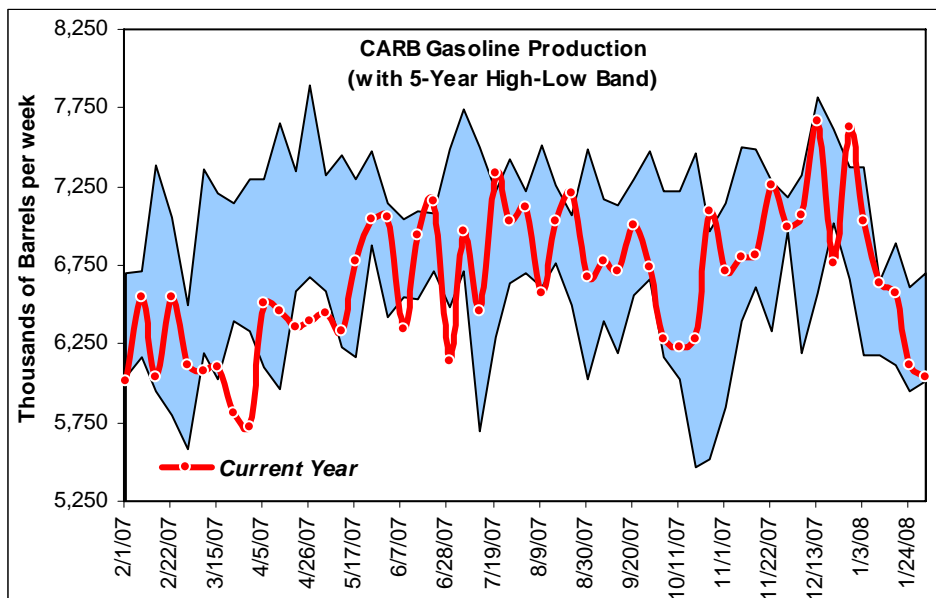


Wholesale Gasoline and Diesel Prices on February 5

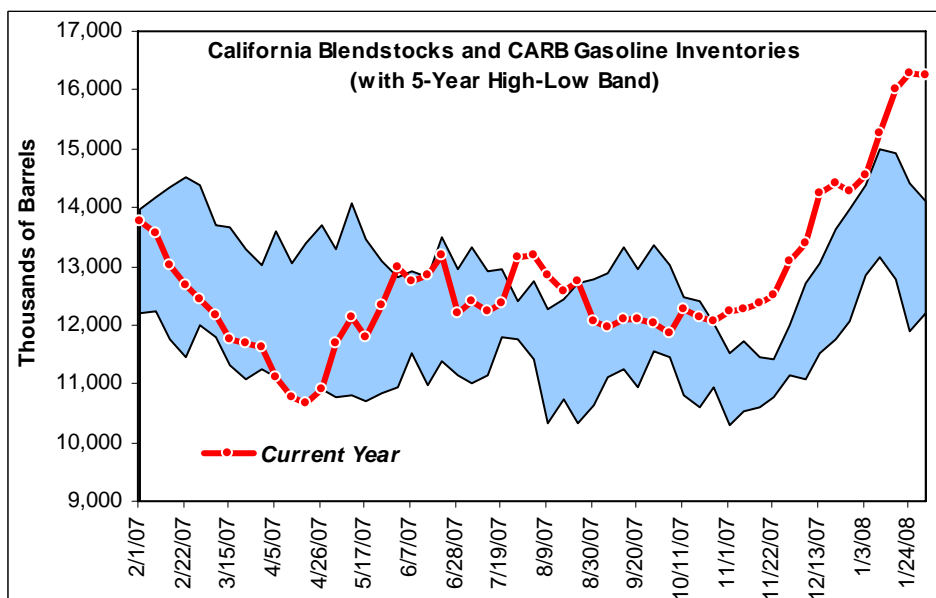
- Despite high inventory levels that pushed wholesale gasoline prices sharply down during mid-January, seasonal planned maintenance and unplanned outages at California refineries have recently put upward pressure on gasoline prices.
- California spot wholesale gasoline prices for regular-grade reformulated blendstock for oxygenate blending (RBOB) fell to \$2.45 per gallon, 7 cents per gallon less than on January 8 but 53 cents more than on the same day last year.
- Spot prices for RBOB in Los Angeles are 27 cents per gallon more than the New York Harbor price and 21 cents more than the Gulf Coast price, up from 8 cents and 11 cents, respectively, on January 8. During much of mid-January, California spot prices were well below other regions.
- California spot **wholesale ultra low-sulfur diesel prices** have decreased since the last Petroleum Watch report to \$2.48 per gallon, 11 cents less than on January 8 but 40 cents more than the same day last year.
- California wholesale ultra low-sulfur diesel prices are 3 cents more than the Gulf Coast and 2 cents more than New York Harbor prices.
- California spot gasoline prices ended the reporting week at 3 cents less than California diesel, compared to 7 cents less than diesel on January 8.
- The Energy Information Administration's (EIA) weekly report for the week ending February 1 shows that **U.S. gasoline demand** decreased 0.3 percent from the previous week, while distillate demand decreased 0.9 percent from the previous week. The four-week average demand for gasoline is 8.98 million barrels per day, 1.0 percent less than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 4.24 million barrels per day, 2.0 percent less than the same period last year.

Refinery Production and Inventories

- **Reformulated gasoline production** in California for the week ending February 1 decreased 1.3 percent from the previous week to 6.04 million barrels, near the bottom of the five-year range, but is still 0.3 percent more than a year ago.ⁱⁱ

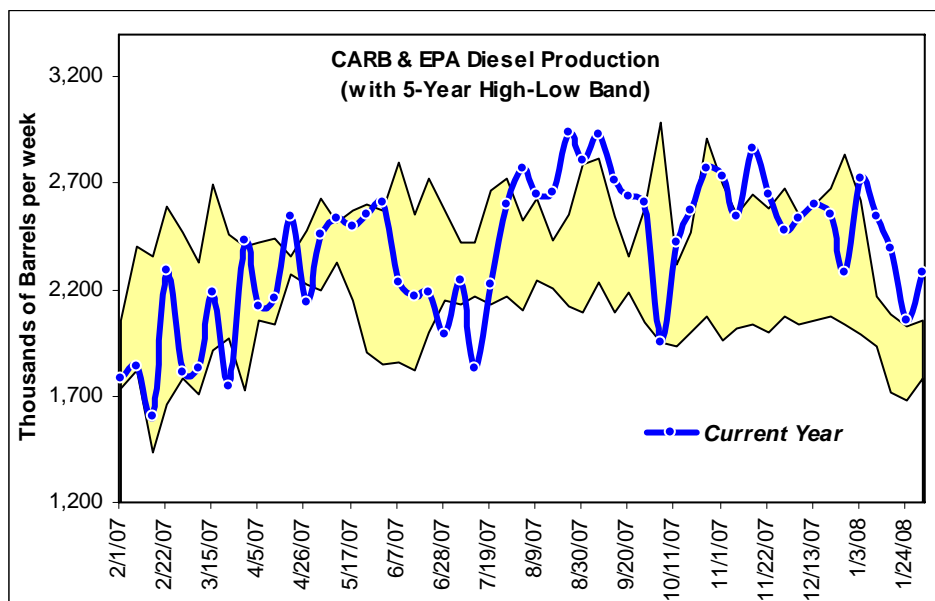


- California reformulated gasoline inventories decreased by 3.2 percent last week while gasoline blendstock inventories increased 2.4 percent. As a result, **combined inventories** of reformulated gasoline and gasoline blendstocks in the state **decreased by 0.2 percent** to 16.26 million barrels but remained far above the five-year range.

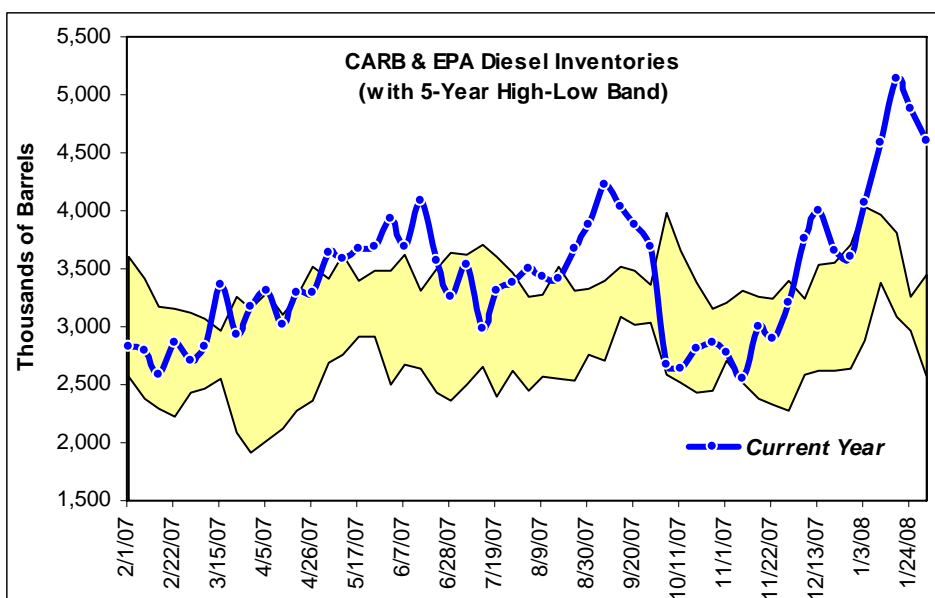


- U.S. gasoline inventories as of February 1 increased to 227.5 million barrels, 3.6 million barrels more than the previous week. Inventories increased on the East, West, and Gulf Coasts during the latest week.

- California **ultra low-sulfur diesel production** during the week ending on February 1, including both California diesel and U.S. Environmental Protection Agency (EPA) diesel, increased to 2.29 million barrels, 11.0 percent more than the previous week remaining well above the five-year range.

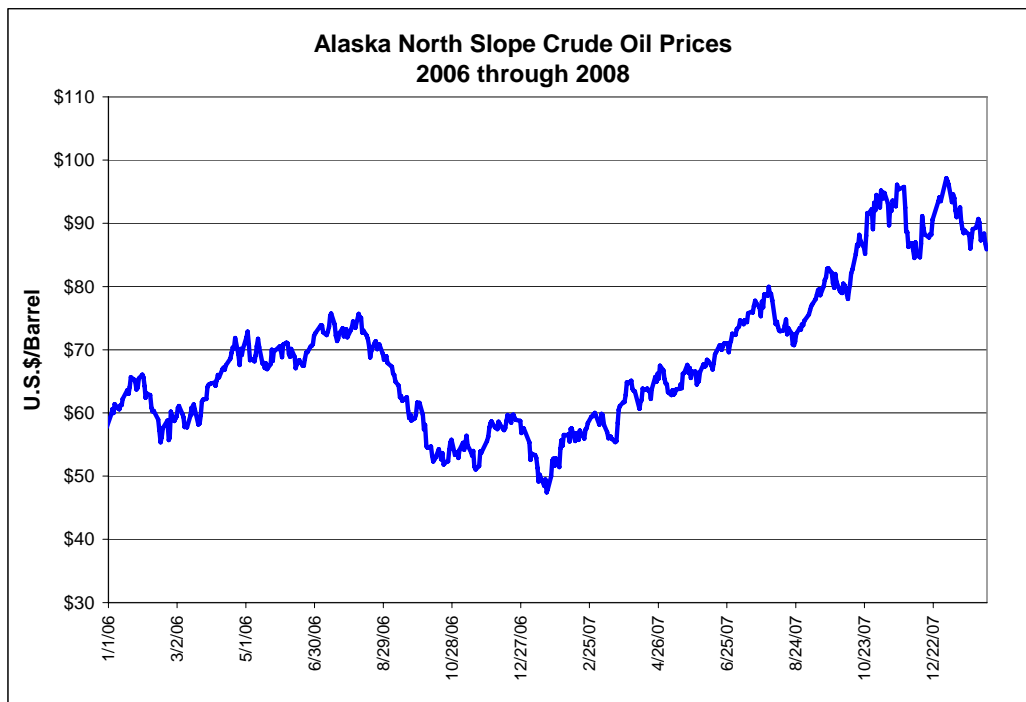


- Combined **ultra low-sulfur diesel inventories** in California decreased 5.5 percent from the previous week to 4.60 million barrels but remain far above the five-year range. Total U.S. distillate inventories as of February 1 rose to 127.1 million barrels, 135,000 barrels more than the previous week. Inventories decreased on the East and Gulf Coasts but increased on the West Coast from the previous week.



Crude Oil Prices and Inventories

Since the last Petroleum Watch report, West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, fell more than \$8 per barrel to \$85.89 as of February 6.ⁱⁱⁱ A large increase in U.S. inventories in recent weeks has pushed prices downward. This decrease is also attributable to multiple reports of a weakening U.S. economy, including slowdowns in the service sector and continuing fallout from the sub-prime mortgage crisis. Despite pleas from U.S. President Bush and Energy Secretary Bodman for OPEC to increase production, at the February 1 ministerial meeting, OPEC decided to leave production levels unchanged. However, continuing production difficulties in important crude oil producing regions, such as Nigeria and Iraq, and continued high demand in China and India, have dampened some of the price declines resulting from the economic slowdown.



- U.S. commercial crude oil inventories as of February 1 rose by 7.05 million barrels from the previous week to 300.0 million barrels. Crude oil stocks are 24.5 million barrels less than this time last year but 2.9 million barrels higher than the five-year average. California crude oil stocks fell 1.9 percent from the previous week to 15.9 million barrels and are 8.9 percent more than last year.

ⁱ Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

ⁱⁱ California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

ⁱⁱⁱ ANS crude oil prices are from *The Wall Street Journal*.